

## **Overview**

Minnesota Housing Finance Agency (Minnesota Housing) is committed to providing long-term, below market financing as a means of providing and sustaining affordable housing for low and moderate-income households. In exchange, Minnesota Housing expects Developers (Owner/Borrower) to be committed to constructing or rehabilitating multifamily housing to a standard that when properly maintained, remains decent, safe, and affordable for the duration of the financing compliance period.

Formal applications before they are selected for processing are subject to an architectural concept review that is conducted by Minnesota Housing Staff Architect assigned to the development. In evaluating various design/construction alternatives available to a particular development, Minnesota Housing, as a matter of policy and practice, seeks to find solutions that create the most lasting value with the lowest life-cycle costs while maintaining a reasonable initial cost. Minnesota Housing expects that Developers will use savings inherent in the financing terms to enhance some or all of the following elements: life safety features, environmental, durability of interior and exterior finishes, accessibility for persons with disabilities, energy efficiency, marketability, architectural character, compatibility, and sustainability. Design concept changes may be required as a condition of selection for processing.

In addition, Minnesota Housing has established minimum design standards that may be applicable to the construction/rehabilitation project being proposed. These standards may be more restrictive than applicable building codes. The type of housing and funding program often dictates which standards apply. Refer to Minnesota Housing Multifamily Housing Design Standards for more information prior to submitting Formal Application.

Once a development has been selected for processing, an Intake Meeting will be held at Minnesota Housing to discuss, among other things: Minnesota Housing's underwriting process, design concept, project delivery approach, and any unique aspects. Generally, Minnesota Housing will require *design-award-build* delivery approach having the following characteristics:

1. Design and construction roles that are separated.
2. Contract documents that are thorough and provided as a basis for a fixed price.
3. Single lump-sum prime construction contract.

The level of Minnesota Housing technical involvement during the design and construction phases will vary from project to project. As levels of funding and risk of exposure to Minnesota Housing and/or other funding partners

increases, the level of review will increase commensurately. Regardless of the level of technical involvement, the Developer and their design and construction teams are encouraged to include, prior to Formal Application, Minnesota Housing Staff Architect in evaluating the proposed construction/rehabilitation project. This will help to ensure Minnesota Housing's and Developer's mutually beneficial goals are achieved.